

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
56th LEGISLATURE - REGULAR SESSION**

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By **CHAIRMAN ERNEST BERGSAGEL**, on January 25, 1999
at 8:00 A.M., in Room 317 Capitol.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Tom A. Beck, Vice Chairman (R)
Sen. J.D. Lynch (D)
Sen. Chuck Swysgood (R)
Rep. Tom Zook (R)

Members Excused: None.

Members Absent: Rep. Matt McCann (D)

Staff Present: Cassandra Drynan, Committee Secretary
Jane Hamman, OBPP
Pam Joehler, Legislative Branch

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: **HOUSE BILL 7 - RECLAMATION &
DEVELOPMENT GRANTS PROGRAM,
1/25/1999**

Executive Action: None

**HEARING ON HOUSE BILL 7 - RECLAMATION & DEVELOPMENT GRANTS
PROGRAM**

Mr. John Tubbs, Department of Natural Resources, made
introductions and gave an overview of the program. He then went
over the projects not recommended for funding and the ranking

process including the Board of Oil & Gas' priority grants.

EXHIBIT(jlh19a01)

{Tape : 1; Side : A; Approx. Time Counter : 0.4 - 10.4}

CHAIRMAN BERGSAGEL asked if any of the grant money had not been used. **Mr. Tubbs** stated that there was \$102,000 that had been released.

{Tape : 1; Side : A; Approx. Time Counter : 10.4 - 11.8}

SEN. BECK asked about **SB 49** and the funding line for the program.

Mr. Tubbs noted that there were grants for the Butte Silver Bow cleanup that would probably not be used and would roll down to the next projects. He thus recommended that the committee fund \$3,600,000 worth of projects. Discussion followed.

{Tape : 1; Side : A; Approx. Time Counter : 11.8 - 22}

RDGP PROJECT NO. 1 & 2 - MONTANA BOARD OF OIL & GAS - 1999 "A" & "B" ORPHANED WELL PLUG & ABANDONMENT & SITE RESTORATION

Mr. Tom Richmond, Administrator of the Board of Oil & Gas (BOG), introduced **Mr. Steve Sasaki**, chief field instructor for the BOG, who gave a slide show presentation of each oil well that needed to be plugged. **EXHIBIT(jlh19a02)** **EXHIBIT(jlh19a03)**

{Tape : 1; Side : A; Approx. Time Counter : 22 - 1:B:2.2}

Mr. Richmond requested that the committee allow the BOG to plug wells based on a priority ranking list instead of by location and requested re-authorization of money from prior sessions to be spent on priority plugging. He then explained the problem they encountered with the Belco project. He subsequently covered the breakdown of points given to a project and how they were ranked **EXHIBIT(jlh19a04)**. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 2.3 - 13.5}

CHAIRMAN BERGSAGEL asked why there were more damage mitigation accounts prior to 1990. **Mr. Richmond** responded. Discussion followed.

{Tape : 1; Side : B; Approx. Time Counter : 13.6 - 17.3}

RDGP PROJECT NO.10 & 13- TOOLE COUNTY - TOOLE COUNTY PLUGGING & ABANDONMENT, AID TO INDEPENDENT SMALL OIL OPERATORS & NORTH TOOLE COUNTY RECLAMATION PROJECT

Ms. Karen Boumans, Toole County Sanitarium, made introductions and gave a short foreword.

{Tape : 1; Side : B; Approx. Time Counter : 18.9 - 19.9}

Mr. Curt Dahlygard, Vice President of Somont Oil, gave a short presentation on the goals of the plugging & abandonment project.

{Tape : 1; Side : B; Approx. Time Counter : 19.9 - 23.1}

Mr. Gary Feland, with J&G Oil, spoke in support of the project.

{Tape : 1; Side : B; Approx. Time Counter : 23.1 - 25}

Mr. Sasaki spoke in support of the project.

{Tape : 1; Side : B; Approx. Time Counter : 25 - 25.9}

Mr. Richmond spoke in support of the projects.

{Tape : 1; Side : B; Approx. Time Counter : 25.9 - 26.6}

Mr. Lowell Hanson, with Northland Engineers, spoke in support of the surface reclamation project. **EXHIBIT(jlh19a05)**

{Tape : 1; Side : B; Approx. Time Counter : 26.6 - 27.7}

Questions: Concerning administrative costs.

{Tape : 1; Side : B; Approx. Time Counter : 28 - 29.5}

**RDGP PROJECT NO. 3 & 4 - MT DEPT. OF ENVIRONMENTAL QUALITY -
SILVER BOW CREEK, STREAMSIDE TAILINGS, REMEDIAL ACTION**

Mr. Vic Andersen, Bureau Chief for Mine waste cleanup with the Department of Environmental Quality (DEQ), gave a short presentation and stated that these two projects would probably be withdrawn. **EXHIBIT(jlh19a06)**

{Tape : 1; Side : B; Approx. Time Counter : 30.4 - 2:A:0.5}

Mr. Bob Collins, Chief of the Litigation unit for the Natural Resource Program, explained how the three parts of the ARCO money were being used and how a restoration plan would be set up. He also explained that there was a Citizen's Advisory Council that would make recommendations to the Policy Committee and that technical expertise would be provided by the Natural Resource Damage Program staff. **EXHIBIT(jlh19a07)**

{Tape : 2; Side : A; Approx. Time Counter : 0.7 - 9.3}

Discussion: Concerning the withdrawal of these projects.

{Tape : 2; Side : A; Approx. Time Counter : 9.3 - 10.2}

**RDGP PROJECT NO. 5 - MT DEPT. OF ENVIRONMENTAL QUALITY - TOSTON
SMELTER RECLAMATION PROJECT**

Ms. Denise Mills, Remediation Division Administrator at DEQ, explained why they were applying for this grant.

EXHIBIT(jlh19a08) EXHIBIT(jlh19a09) EXHIBIT(jlh19a10)

{Tape : 2; Side : A; Approx. Time Counter : 10.5 - 12.5}

Mr. Jack Yates, Mines Waste Clean-up Bureau, gave a slide show presentation and went over the goals of the project. Questions were asked.

{Tape : 2; Side : A; Approx. Time Counter : 12.5 - 18.7}

REP. GAY ANN MASOLO spoke on behalf of the project.

{Tape : 3; Side : A; Approx. Time Counter : 14.8 - 15.1}

RDGP PROJECT NO. 7 - DEQ - FROHNER MINE RECLAMATION PROJECT

Mr. Yates gave a slide show presentation exhibiting problems with the abandoned mine site. **EXHIBIT(jlh19a11)**

{Tape : 2; Side : A; Approx. Time Counter : 18.8 - 25.2}

CHAIRMAN BERGSAGEL asked what type of assessment the DEQ does to approve its own projects.

{Tape : 2; Side : A; Approx. Time Counter : 25.3 - 27}

RDGP PROJECT NO. 8 - DEQ - GREAT REPUBLIC SMELTER RECLAMATION PROJECT

Mr. Yates gave a slide show presentation and explained the erosion and contamination problems and the goals of the reclamation project. **EXHIBIT(jlh19a12)**

{Tape : 2; Side : A; Approx. Time Counter : 27 - 31.8}

Mr. Yates then gave a slide show presentation of a prior project that they had finished successfully. Questions were asked.

{Tape : 2; Side : A; Approx. Time Counter : 31.8 - 2:B:2.7}

RDGP PROJECT NO. 6 - CITY OF TOWNSEND - EAST PACIFIC MINE RECLAMATION

Jex Hunsaker, representing the Townsend City Council, gave a short presentation.

{Tape : 2; Side : B; Approx. Time Counter : 3 - 7.8}

CHAIRMAN BERGSAGEL asked about a similar project that was undertaken previously. **Mr. Tubbs** reviewed two similar projects and stated that they had been successfully completed.

{Tape : 2; Side : B; Approx. Time Counter : 7.8 - 9.3}

SEN. LYNCH asked why they were requesting \$300,000 instead of the original \$202,500. **Mr. Hunsaker** responded that they wished to consolidate two projects and cleanup another site that was close-by.

{Tape : 2; Side : B; Approx. Time Counter : 10.9}

CHAIRMAN BERGSAGEL asked **Mr. Steve Wyatt**, with the Forest Service, how much money could be saved from the consolidation of the projects. **Mr. Wyatt** briefly went over the budget

EXHIBIT (j1h19a13).

{Tape : 2; Side : B; Approx. Time Counter : 10.9 -17.2}

SEN. BECK asked who was responsible for this reclamation project: state, federal or private parties. Discussion followed.

Mr. Vic Andersen responded that there was joint state and federal responsibility. Discussion followed.

{Tape : 2; Side : B; Approx. Time Counter : 17.4 - 22.8}

Discussion: Concerning state funds being used to pay for cleanup of federal lands.

{Tape : 2; Side : B; Approx. Time Counter : 22.8 - 24.3}

SEN. BECK asked why the Forest Service wasn't paying for its share of the cleanup. **Ms. Maggie Pitman**, legislative affairs coordinator for the Forest Service, responded and explained their budget policy. Discussion followed. It was said that contingency language could be written that would insure that any money the forest service came up with would go back to the general fund.

{Tape : 2; Side : B; Approx. Time Counter : 24.3 - 28.3}

SEN. LYNCH commented that there was a \$5 state to \$1 federal match to clean up federal land. **Mr. Wyatt** responded.

{Tape : 2; Side : B; Approx. Time Counter : 28.5 - 31.7}

REP. GAY ANN MASOLO spoke on behalf of the project.

{Tape : 3; Side : A; Approx. Time Counter : 14.3 - 14.8}

**RDGP PROJECT NO. 17 - BUTTE-SILVER BOW LOCAL GOVERNMENT - MINING
CITY MINEYARD PRESERVATION & ENHANCEMENT**

Mr. Jack Lynch, Chief Executive of the City of Butte, gave a short presentation and went over the goals of the project

EXHIBIT (j1h19a14). Questions were asked.

{Tape : 3; Side : A; Approx. Time Counter : 0.6 - 5.4}

Ms. Colleen Fine, Community Development Director, gave a slide show presentation and explained the need for education and training of ironworkers and ropemen. Questions were asked.

{Tape : 3; Side : A; Approx. Time Counter : 5.4 - 12.1}

Mr. Lynch reminded the committee that Butte carries a historic landmark distinction and that these structures should be preserved.

{Tape : 3; Side : A; Approx. Time Counter : 12.1 - 13.8}

SEN. LYNCH spoke in support of the project.

{Tape : 3; Side : A; Approx. Time Counter : 15.7 - 15.9}

RDGP PROJECT NO. 11 - BUTTE-SILVER BOW LOCAL GOVERNMENT - UPPER CLARK FORK BASIN: SUPERFUND TECHNICAL ASSISTANCE

Mr. Jack Lynch gave a short presentation and submitted **EXHIBIT (j1h19a15)**, a letter of support from the Board of County Commissioners of Granite County and stated that Anaconda/Deerlodge and Powell Co. supported the project.

{Tape : 3; Side : A; Approx. Time Counter : 16 - 20.7}

Mr. John Sesso, Superfund Coordinator, spoke on behalf of the project and stated that each of the four local governments would benefit from a Superfund Technical Specialist to keep track of the progress of the superfund projects. He then stated that **Mr. Stetsner**, Anaconda, supported this project.

{Tape : 3; Side : A; Approx. Time Counter : 20.7 - 24.4}

CHAIRMAN BERGSAGEL asked if the counties pitched in to pay for these Superfund Technical Specialists. **Mr. Sesso** and **Mr. Tubbs** responded that they did pay match funds.

{Tape : 3; Side : A; Approx. Time Counter : 24.4 - 26.6}

SEN. LYNCH spoke in support of the project.

{Tape : 3; Side : A; Approx. Time Counter : 26.6- 26.9}

SEN. BECK spoke in support of the project.

{Tape : 3; Side : A; Approx. Time Counter : 26.6 - 26.9}

HEARING ON HOUSE BILL 7 - RECLAMATION & DEVELOPMENT GRANTS PROGRAM - CLOSED

ADJOURNMENT

Adjournment: 12:00 P.M.

REP. ERNEST BERGSAGEL, Chairman

CASSANDRA DRYNAN, Secretary

EB/CD

EXHIBIT (j1h19aad)